

House File 2112 - Introduced

HOUSE FILE 2112

BY LUKAN

A BILL FOR

1 An Act establishing a self-employment assistance program and
2 providing a termination date.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 96.45 Self-employment assistance
2 program

3 1. *Definitions.* As used in this section, unless the context
4 otherwise requires:

5 a. "*Self-employment assistance activities*" means activities
6 approved by the director in which an individual participates
7 for the purpose of establishing a business and becoming
8 self-employed. Self-employment assistance activities include
9 but are not limited to entrepreneurial training, business
10 counseling, and technical assistance.

11 b. "*Self-employment assistance allowance*" means an amount
12 payable in lieu of regular benefits under this chapter to
13 an individual participating in self-employment assistance
14 activities in accordance with this section. Self-employment
15 assistance allowance amounts shall be paid from the
16 unemployment compensation fund.

17 2. *Self-employment assistance allowance — amount.* The
18 weekly amount of the self-employment assistance allowance
19 payable to an individual is equal to the weekly regular benefit
20 amount. The sum of the self-employment assistance allowance
21 paid under this section and the regular benefits paid under
22 this chapter with respect to any benefit year shall not
23 exceed the maximum benefit amount payable under section 96.3,
24 subsection 5, with respect to that benefit year.

25 3. *Eligibility requirements.* The following eligibility
26 requirements apply to the payment of a self-employment
27 assistance allowance under this section.

28 a. An individual may receive a self-employment assistance
29 allowance if the following requirements are met:

30 (1) The individual is eligible to receive regular benefits
31 or would be eligible to receive regular benefits except for the
32 requirements described in paragraph "b", subparagraphs (1) and
33 (2).

34 (2) The individual is identified by a worker profiling
35 system as an individual likely to exhaust regular benefits.

1 (3) The individual has submitted an application form and an
2 initial business plan as prescribed by the director.

3 (4) The individual's initial business plan has been
4 reviewed for feasibility by the department in consultation with
5 the economic development authority created by section 15.105.
6 An individual shall not be approved for a self-employment
7 assistance allowance unless the department finds the
8 individual's initial business plan feasible. Upon request, the
9 department shall advise an individual as to resources available
10 in the state to aid in the development of a feasible, initial
11 business plan.

12 (5) The individual has obtained any occupational
13 certification or license necessary to carry out the
14 individual's initial business plan prior to the submission of
15 an application form and an initial business plan.

16 (6) The individual has filed a weekly claim for the
17 self-employment assistance allowance and provides a log of
18 self-employment activities and any other information the
19 director prescribes.

20 *b.* The self-employment assistance allowance shall be payable
21 to an individual at the same intervals and on the same terms
22 and conditions as regular benefits under this chapter except
23 for the following:

24 (1) The provisions of this chapter regarding being
25 available for work, actively seeking work, and refusing to
26 accept suitable work are not applicable to such an individual.

27 (2) The requirements of this chapter relating to
28 disqualifying income are not applicable to income earned from
29 self-employment by such an individual.

30 *c.* An individual who meets the requirements of this section
31 shall be considered to be totally unemployed under section
32 96.19, subsection 38, paragraph "a".

33 *d.* An individual who fails to actively engage on a full-time
34 basis in self-employment assistance activities is ineligible to
35 receive the self-employment assistance allowance for each week

1 in which such failure occurs.

2 4. *Limitation on number of individuals receiving a*
3 *self-employment assistance allowance.* The number of individuals
4 receiving the self-employment assistance allowance at any time
5 shall not exceed five percent of the number of individuals
6 receiving regular benefits.

7 5. *Financing the costs of the self-employment assistance*
8 *allowance.* The self-employment assistance allowance shall be
9 charged to employers in the manner provided in this chapter for
10 the charging of regular benefits.

11 6. *Compliance with federal policy.* In adopting rules
12 to administer this section, the director, insofar as is
13 practicable, shall comply with the rules and policies of the
14 United States department of labor.

15 7. *Termination date.* The authority to pay self-employment
16 assistance allowances under this section terminates at the
17 end of the week preceding the date when federal law no longer
18 authorizes such payment, unless that date is on a Saturday in
19 which case the authority terminates on that date.

20 EXPLANATION

21 This bill establishes a self-employment assistance
22 program which provides unemployment compensation benefits to
23 individuals seeking to be self-employed. These benefits are
24 paid instead of regular unemployment compensation benefits.
25 Authority to establish the program is provided by federal law
26 at 26 U.S.C. § 3306(t).

27 The bill defines self-employment assistance activities
28 and self-employment assistance allowance. Self-employment
29 assistance activities are intended to enable an individual
30 to establish a business and become self-employed and
31 include entrepreneurial training, business counseling,
32 technical assistance, and any other activities approved by
33 the labor commissioner. The bill provides that the weekly
34 self-employment assistance allowance payable to an individual
35 is equal to the weekly benefit amount for regular unemployment

1 benefits and the maximum yearly allowance is the same as
2 the maximum yearly, regular unemployment benefits currently
3 allowable. Charges to employers are made in the same manner as
4 charges to employers for regular unemployment benefits.

5 The bill establishes eligibility requirements for an
6 individual's acceptance into the self-employment assistance
7 program. An individual must be identified by a worker
8 profiling system as an individual likely to exhaust regular
9 unemployment compensation benefits. An individual must
10 submit an application form and an initial business plan. The
11 department of workforce development, in consultation with the
12 economic development authority, must review the individual's
13 initial business plan for feasibility. An individual's
14 initial business plan must be found feasible in order for the
15 individual to be accepted into the program. Upon request,
16 the department is to advise an individual as to resources
17 available in the state to aid in the development of a feasible
18 initial business plan. An individual must have obtained any
19 occupational certification or license necessary to carry out
20 the individual's initial business plan prior to applying for
21 the program. An individual must also file a weekly claim for
22 the self-employment assistance allowance and provide a log of
23 self-employment activities as well as any other information
24 required by the director of the department of workforce
25 development.

26 The bill provides that the requirements to receive regular
27 unemployment benefits relating to availability for work, active
28 search for work, refusal to accept work, and self-employment
29 income do not apply to an individual otherwise eligible to
30 receive a self-employment assistance allowance. The bill
31 provides that an individual who fails to actively engage in
32 self-employment assistance activities full-time is ineligible
33 to receive the self-employment assistance allowance for each
34 week such a failure occurs.

35 The bill provides that the maximum number of individuals

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1 eligible for the program at any one time is equal to 5 percent
2 of the individuals receiving regular unemployment benefits.

3 The bill directs the director of the department of workforce
4 development to comply with the rules and policies of the United
5 States department of labor, where practicable, when adopting
6 rules to implement the bill.

7 The bill is void if federal authorization for the program
8 ends.